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OUTLINES CHINA'S ECONOMIC GAINS IN 1950 AND 1951

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The author Sung Shao-wen, is a member of the Committee of Finance and Economics, and Chief of the Central Planning Bureau. He appraises China's economic advances in the past 2 years by designating '85 base years those 12-month periods in which industrial and agricultural output reached all-time highs. Index figures are percentages of base years: 1936 for China proper and 1943 for the Northeast. These data show relative strength in steel ingots, power, tungsten, and copper, and weakness in pig iron, coal, and tin. In agriculture, Sung uses the highest production of 1936 or 1937 as a base revealing a low soybean output for 1951 together with the record yields of cotton, flue-cured tobacco, hemp, and sugar beets.

All statistics in the appended tables are expressed in percentages. Price fluctuations in important consumer commodities have not been fully controlled. State and cooperative enterprises have been asked to make greater inroads in the retail market.

In 1951, sales of such products as cotton yarn, cotton cloth, fertilizers (especially bean cake and oil cake), coke, steel, and soda ash showed marked increases, while the output of wool, cigarette, match, and rubber-shoe manufacturing industries was below earlier production records.

Total value of 1950 and 1951 exports of agricultural, livestock, mining, and handicrafts products exceeded the record set in 1931. With the total value of exports in 1936 as the base figure and the US dollar taken now at one half its 1936 value, the total monetary worth of exports in 1950 was 134 percent. It is estimated for 1951 at 160 percent. Regarding 1951 imports, rubber lagged behind metals, machinery, and general equipment.

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Rail transport figures for 1951 were 33.2 percent above the 1950 peak. In 1936, coastal water-borne freight in Chinese ships totaled only 330,000 tons and in foreign ships on inland waterways, only 1.2 million tons. Foreign ships in China's seaports carried about 4 million tons; the total tonnage for 1936 was over 44.9 million tons. Immediately after liberation, the totals for ocean- and river-going steamers were only about 260,000 tons; the total transport figures for 1951 were 75 percent over those of 1950. Taking 1941 for the base year, overland freight hauling was 65 percent in 1950 and 118.7 percent in 1951.

Using tax revenue receipts as an indicator for China's volume of trade, tax payments made by industry and commerce in 1951 show a 150 percent increase over 1950. Figures for the coal-mining industry reveal a steady increase in workers' productive capacity. The daily coal output per worker under the Kuomintang averaged 0.33 tons; however, by 1949, it was 0.404 tons; in 1950, 0.459 tons; and in 1951, 0.62 tons.

During the 1950 water-conservancy operations, over 419 million cubic meters of earth were moved. In 1951 estimates, over one million persons were engaged controlling floods, repairing drainage ditches, and protecting dikes on the Huai Ho project. The total increase in land brought under irrigation throughout China during 1950 and 1951 was over 7.7 million mou and 12.3 million mou, respectively.

Insect-control operations, in which several million peasants were engaged, covered over 88 million mou in 1950 and over 97 million mou in 1951. During drought-control activities in 1951, over 30 million mou of cotton and over 2.9 million mou of forest were planted in areas to which water must be carried.

In June 1950, there were over 1.66 million unemployed and semiemployed laborers and unemployed white-collar workers throughout China. This figure dropped to 610,000 by the end of 1950, and to 450,000 by July 1951. Real wages for public school teachers and skilled and semiskilled labor remain relatively low.

In 1950, 41.2 percent of all ocean- and river-going freighters were state-operated, while 58.8 percent were owned by private firms. By 1951, index figures for state and private ownership became 45.8 and 54.2 percent respectively; total tonnage carried by wood-bottomed craft on inland waterways was 23 times greater than the total freighter cargo. For the same year (1950), 30 percent of all motor transport vehicles were state-operated and 70 percent were owned by private companies. By 1951, total state and private ownership percentages had increased slightly. At present, the total horse-drawn tonnage greatly exceeds the total motor freight figures.

Figures for 1950 show that 84 percent of all business and commercial enterprises in China were privately owned, 14 percent state-owned, and about 2 percent cooperative. The rate of commercial development was quantitatively greatest in the private sphere; on the other hand, business activity in Northeast China during 1951 fell below the 1950 levels in state-operated enterprises. Cooperatives showed an increase over 1950 totals. Although businesses handling foodstuffs, cotton yarn and cloth, salt, and petroleum dominated the wholesale market, their numbers were small in the retail sphere. State and cooperative enterprises have been asked to enlarge activities in the retail market to stabilize the retail price of essential commodities.

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Table 1. Total Production Figures for China Proper* and Northeast**

<u>Commodity</u>	<u>1950 Output***</u>	<u>1951 Estimates***</u>
Pig iron	48.5	64.0
Steel ingots	68.5	97.0
Rolled steel	67.0	120.0
Coal	58.6	69.2
Power	77.5	94.5
Cement	65.7	107.0
Copper	253.0	333.0
Tungsten	76.0	80.0
Tin	38.1	46.0
Glass	119.5	138.0
Caustic soda	82.1	244.0
Soda ash	97.1	124.0
Cotton yarn	100.3	105.9
Cotton cloth	108.7	113.5
Gunny bags	43.4	98.5
Paper	114.5	155.0
Tires	66.0	196.0

* Base year 1936 highest on record

** Base year 1943 highest on record

*** Expressed as percentages of sum of base years

The records for pig iron and coal were established in 1942 when huge quantities were snatched away by Japan. The tin record was set in 1938 when the output far exceeded the average.

The table shows that according to 1951 estimates, index figures for pig iron, coal, and tin output are farthest below record highs, and that those of steel ingots, power, tungsten, and gunny bags are rapidly approaching the record.

Table 2. Total Production Figures for Principal Agricultural Products*

<u>Crop</u>	<u>1950 Output</u>	<u>1951 Estimates</u>
Food (including all grains)	87.0	92.8
Paddy rice	96.5	99.4
Wheat	80.4	88.5
Soybean	58.9	63.3
Cotton	83.7	133.0
Vegetable oil seeds (soybeans not included)	44.0	65.9
Flue-cured tobacco	24.1	130.5
Hemp (for gunny bags)	114.7	227.1

* Using the highest production level of 1936 or 1937 as a base

This chart indicates low soybean output for 1951 but record yields for cotton, flue-cured tobacco, and hemp. Production of vegetable oil seeds is estimated at two thirds the base year while that of tea, silk, and sugar cane stands at from one fourth to one third. Sugar beet output is at an all-time high.

By contrast, figures for animal husbandry -- cattle, sheep, and pigs -- are relatively low: cattle and pig raising is 80 percent, and sheep, about 50 percent, of record yields.

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